

FISCAL NOTE

SB 1567 - HB 1462

April 26, 1999

SUMMARY OF BILL: Requires insurers and health plan administrators to pay clean and complete claims within 20 days. Claims not paid within this time frame are subject to an interest penalty of twelve percent.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures- Exceeds \$100,000

Currently Federal Medicaid regulations require payment of 90% of clean claims within 30 days and 99% within 90 days.

Estimate assumes that:

- TennCare MCOs would be required to pay interest at the rate of 12% on any amount for clean claims not paid within 20 days.
- administrative expenditures would increase for TennCare MCOs to meet the shorter payment time frame required by the bill.
- a change in contract requirements for TennCare MCOs would result in an increase in capitation rates.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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